

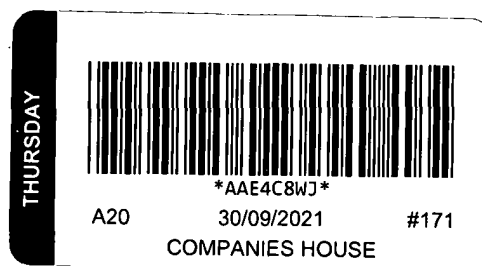
Registered number: 08818319

FTT (UK) Limited

Information for filing with the registrar

Financial statements

For the Year Ended 31 December 2020



FTT (UK) Limited
Registered number:08818319

Balance Sheet
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	5	-	-
Tangible assets	6	29,414	50,730
		<u>29,414</u>	<u>50,730</u>
Current assets			
Debtors	7	74,148	933,035
Cash at bank and in hand		1,633,713	1,216,647
		<u>1,707,861</u>	<u>2,149,682</u>
Creditors: amounts falling due within one year	8	(1,375,840)	(1,834,933)
Net current assets		<u>332,021</u>	<u>314,749</u>
Total assets less current liabilities		<u>361,435</u>	<u>365,479</u>
Provisions for liabilities		(5,095)	(1,580)
Net assets		<u><u>356,340</u></u>	<u><u>363,899</u></u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		356,240	363,799
		<u><u>356,340</u></u>	<u><u>363,899</u></u>

In accordance with section 444 of the Companies Act 2006 all of the members of the company have consented to the preparation of abridged financial statements pursuant to paragraph 1A of Schedule 1 to the Small Companies and Groups (Accounts and Directors' Report) Regulations (S.I. 2008/409) (b).

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A Rutter
 Director



Digitally signed
 by Arturo Rutter
 Date: 2021.09.29
 21:41:00 +01'00'

Date:

The notes on pages 2 to 9 form part of these financial statements.

1. General information

FTT (UK) Limited is a private Company limited by shares, incorporated in England and Wales.

The Company's registered office is Charlotte House, Stanier Way, The Wyvern Business Park, Derby, DE21 6BF. The trading address of the Company is Sadler Bridge Studios, Units 8, 20, 21, Bold Lane, Derby, DE1 3NT.

The principal activity of the Company continues to be that of engineering, development and testing of gas turbines, propulsion components and turbopumps.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

On the basis of continued support from the Company's parent, the Directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from the withdrawal of the continued support of the parent company.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided at 33.3% straight line for computer software.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	33%
Plant and machinery	-	14%
Motor vehicles	-	20%
Office equipment	-	14%
Computer equipment	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Notes to the Financial Statements
For the Year Ended 31 December 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of the company's assets and liabilities. These are based on historical experience and other factors that are considered relevant and are reviewed on a regular basis and recognised in the period in which the estimate is revised. Actual results may differ from these estimates.

The following are the critical judgements and, where relevant, the key sources of estimation uncertainty:

Tangible fixed assets are depreciated over their useful economic lives, taking in to account their residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

In making its judgement as to revenue recognition, management have considered the detailed criteria set out in FRS 102 section 23 "Revenue".

4. Employees

The average monthly number of employees, including directors, during the year was 4 (2019 - 4).

5. Intangible assets

	Computer software £
Cost	
At 1 January 2020	45,505
At 31 December 2020	<u>45,505</u>
Amortisation	
At 1 January 2020	45,505
At 31 December 2020	<u>45,505</u>
Net book value	
At 31 December 2020	<u><u>-</u></u>
At 31 December 2019	<u><u>-</u></u>

FTT (UK) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

6. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 January 2020	4,559	96,141	14,197	23,566	35,308	173,771
At 31 December 2020	4,559	96,141	14,197	23,566	35,308	173,771
Depreciation						
At 1 January 2020	4,464	61,660	14,197	15,588	27,132	123,041
Charge for the year on owned assets	95	12,396	-	2,785	6,040	21,316
At 31 December 2020	4,559	74,056	14,197	18,373	33,172	144,357
Net book value						
At 31 December 2020	-	22,085	-	5,193	2,136	29,414
At 31 December 2019	95	34,481	-	7,978	8,176	50,730

FTT (UK) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

7. Debtors

	2020 £	2019 £
Trade debtors	-	861,931
Other debtors	33,288	24,496
Prepayments and accrued income	40,860	46,608
	<u>74,148</u>	<u>933,035</u>

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	1,343,971	936,983
Corporation tax	3,821	-
Other taxation and social security	-	144,489
Other creditors	1,490	932
Accruals and deferred income	26,558	752,529
	<u>1,375,840</u>	<u>1,834,933</u>

9. Deferred taxation

	2020 £	2019 £
At beginning of year	(1,581)	(10,566)
Charged to profit or loss	(3,514)	8,985
At end of year	<u>(5,095)</u>	<u>(1,581)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	5,095	1,581
	<u>5,095</u>	<u>1,581</u>

FTT (UK) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

10. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £838 (2019 - £932) were payable to the fund at the balance sheet date.

12. Related party transactions

The Company has taken advantage of the exemption under Financial Reporting Standard 102 (section 33), not to disclose transactions between entities which form part of the Group headed by Kratos Defense & Security Solutions, Inc.

13. Controlling party

The controlling party and parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Kratos Defense & Security Solutions, Inc. Consolidated accounts are available from 10680 Trenea Street, 6th Floor, San Diego, CA 92131 USA.

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 29.9.21 by Simon Hawkins (Senior statutory auditor) on behalf of Dains LLP.